

CHANGING LIVES.
SAVING LIVES.



Simon McDonnell



Rayno Snyman

2022

ANNUAL REPORT

| RESCUE
| AIR AMBULANCE
| RURAL HEALTH OUTREACH



AMS

S.A. RED CROSS AIR MERCY SERVICE

www.ams.org.za

ABOUT US

The SA Red Cross Air Mercy Service Trust (AMS) is a non-profit aero-medical rescue organisation working in partnership with the various Provincial Departments of Health in South Africa to ensure that the National Health System is strengthened through the provision of rescue, air ambulance and rural health outreach services. The mission of AMS is to facilitate access to healthcare to those rendered most vulnerable by geographical, social or economic inequity and in so doing, reduce vulnerability of at-risk communities and judiciously improve the quality of life. We work closely with Provincials Departments of Health and health workers in the communities to assess needs and implement appropriate healthcare programmes.

The AMS was established in 1966 by The South African Red Cross Society and formed into an Independent Trust in 1994. The AMS has grown into a comprehensive aero-medical service with a unique service delivery model, utilising volunteers, professionals, strong partnerships with the Departments of Health, not-for-profit organisations and the private sector to facilitate access to appropriate healthcare services for both the critically ill or injured persons and those requiring specialist medical expertise, especially from remote rural communities. The AMS is the only aero-medical operator in Southern Africa which offers a complete package of air-ambulance, health outreach and rescue services, using a mix of fixed-wing and rotor-wing aircraft and ground vehicles. The service has expanded to include Night Vision Systems (NVG's) into the organisation's helicopter operation. The extension of the programme is to ensure that the community has access to the helicopter 24 hours a day.

Our commitment to changing lives and saving lives knows no boundaries. The AMS will provide help whenever and wherever it is needed.

Purpose

Facilitate pluriversal access to healthcare to those rendered most vulnerable by geographical, social or economic inequity, and in so doing, reduce vulnerability of at-risk communities and judiciously improve the quality of life.

Mission

In support of state-run programmes, AMS will innovatively render rural outreach programmes, clinical training and development for stakeholders and emergency aero-medical / rescue services.

Strategy

Position AMS in collaboration with government as the civil-society provider of choice in the attainment of pluriversal access to quality emergency care in the pre-hospital environment and the rendering of outreach services.

Strategic Goals



AMS CORE VALUES

Our values are based on humanitarian principles, this is achieved by:

1. Compassion
2. Integrity
3. Professionalism

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OVERVIEW FROM THE BOARD OF TRUSTEES

One of the matters of concern to the Air Mercy Service (AMS) Trustees is how we can keep AMS relevant in a fast changing world. We may look differently at our organisation to what other people see in us. However, there are clear indicators all around us that service delivery in the health sector continues to be a challenge for our government.

A closer look at what could be a challenge for government to accept help with service delivery could perhaps be that it is the role of government to provide services to its people. As a Trust we fully accept that and would not want to interfere in government operations. But when the paucity of services in some areas is so glaring, we as a Trust must raise our hand and say we are ready to lend some assistance. It helps to know that the more we all work together in this country, the better it will be for delivering services to our people. We take pride in the fact that we have the ability to provide services even to the most remote rural areas as we have done in the past. Our record in this regard is well documented and we remain battle-ready to assist with the services that we have that are reported on in this annual report.

We will continue to approach various Provincial Governments to seek a hearing for our managers to explain what is possible when it comes to service delivery.

Mr. Gideon Sam
Chairman, Board of Trustees



“We take pride in the fact that we have the ability to provide services even to the most remote rural areas as we have done in the past.”

CORPORATE GOVERNANCE

The Board of Trustees governs and oversees the activities of the organisation. The Board consists of individuals with varied backgrounds, all of whom are non-remunerated volunteers that are able to offer the organisation the necessary guidelines and expertise to continue to support the National Health System by ensuring access to healthcare for all South Africans.

The CEO is responsible for the day to day management of the organisation and reports to the Board of Trustees. Medical and aviation decisions are taken in consultation with the Management Committee (MANCO) and the Quality and Safety Committee. Day-to-day financial administration is handled by management staff in accordance with the budget approved by the Trustees. All meetings are minuted and conform strictly to the acceptable standards of corporate governance practice.

Audit, Finance & Risk Committee: This committee comprises of Trustees nominated by the Board of Trustees. The committee’s role is to assist the Board of Trustees in overseeing and assessing the organisation’s risk management process, legal and regulatory compliance, financial reporting, financial controls, internal and external, audit processes and to liaise between the Board of Trustees and the external auditors.

Human Resources and Remuneration Committee: The committee comprises of Trustees nominated by the Board of Trustees. The committee assists the Board of Trustees to establish Human Resources strategies and policies as well as to ensure compliance with all applicable legislation and best practices.

Management Committee (MANCO): MANCO is a statutory meeting chaired by the CEO. MANCO comprises of the CEO, Corporate Development Manager, National Operations Manager, Flight Operations Manager and co-opted members. The committee aims to improve the communication flow and keep everyone abreast of developments in the organisation. MANCO is also a sounding board for the CEO.

Quality and Safety Committee: The Q & S Committee comprises of the CEO, National Operations Manager, AMO Maintenance Manager, Flight Operations Manager, Safety Manager and Quality Manager. The committee meets weekly to address all matters pertaining to safety and the quality of services.



Mr. Ray ka Msengana

TRUSTEE THANK YOU

Our sincere thanks and appreciation to Mr. Ray ka Msengana who has retired from the Board of Trustees after 23 years of service to the AMS. Your expertise and guidance in the development of the AMS will forever be entrenched in those you have served so selflessly during your time as a member of the Board of Trustees.

We can only stand in admiration for your dedication and long-standing commitment of more than two decades to ensure that we fulfill our mandate of providing access to healthcare to the most vulnerable. You have truly embodied our values and have served the AMS and the people of our country with compassion, integrity and professionalism.

We salute you for your service to humanity.



Prof. Lineo Tanga



Adv. Adila Hassim



Prof. Shepherd Mayatula



Mr. René de Wet



Mr. Geoffrey Qhena

APPOINTMENT OF NEW CEO

The Board of Trustees announced the appointment of Mr. Farhaad Haffejee as the new CEO of the AMS. An experienced business leader and manager, Farhaad Haffejee will succeed Dr. Philip Erasmus and officially assumed responsibilities on the 1st of January 2022. Farhaad Haffejee, was the AMS Corporate Development Manager and has been with the organisation for 17 years and brings with him a wealth of knowledge in people management, systems rethinking, people development and aero-medical industry knowledge to mention a few.



AFRICAN NEWS AGENCY

Mr. Gideon Sam, Chairman of the Board of Trustees said, "It is my pleasure and honour to announce on behalf of the Board of Trustees the appointment of Farhaad Haffejee as our new CEO. We pledge as a family to work hand in hand with him to take the AMS to higher heights."

"I am honoured and deeply humbled by the opportunity afforded to me to lead this amazing organisation as it charts new horizons. We face a changing environment brought on by both the COVID-19 pandemic and a lack of funding resources. How we approach these challenges will shape our sustainability. Our constant guiding light is our mission to deliver equitable access to healthcare and to better the lives of our most marginalised communities. We must never forget this. Everything we do is in support of this outcome. I look forward to forging solid partnerships and embracing future technologies to positively impact this mission," said incumbent AMS CEO Farhaad Haffejee.

Dr. Imtiaz Sooliman from Gift of the Givers Foundation & his team personally came to congratulate our new CEO, Farhaad Haffejee.



RAYNO SNEYMAN

MESSAGE FROM THE **OUTGOING CEO**

It is my privilege to submit a few thoughts for the 2021/2022 annual report during which my “term” as CEO of the AMS has ended.

The impact of the COVID-19 pandemic was still the most prominent factor dominating decisions in almost every facet of our organisation. Despite the challenges we still managed to continue rendering our critical services with virtually no interruption. This we achieved despite mandatory quarantine and isolation measures of staff as they are in regular contact with COVID cases known and unknown. The commitment of our staff to their patients and our organisation and their will to make things work was and still is exemplary.

I have been privileged to serve the organisation for almost 25 years first as Chief Operations Officer and the last 15 years as CEO. I have worked with and met wonderful people who have enriched my life tremendously. On 1 January 2022 I formally handed over the reigns to my successor, Farhaad Haffeejee, appointed by the Board of Trustees. Farhaad and I have been close colleagues for 15 years and it is such a pleasure to hand over to a person who knows our organisation and the associated challenges inside-out and able to “hit the ground running”. He is bringing renewed energy and fresh ideas and I have no doubt that his contribution will stand the organisation in good stead in achieving new heights in the provision of innovative health care services.

I am deeply thankful for the support that I have received from my fellow colleagues and our Board of Trustees over all these years. I wish them all the very best in continuing and further developing the role of the AMS in improving access to health care for all.

Dr. Philip Erasmus



Dr. Philip Erasmus
(Outgoing CEO)

“I am deeply thankful for the support that I have received from my fellow colleagues and our Board of Trustees over all these years.”



MESSAGE FROM THE CEO

Let me begin by expressing my gratitude at being appointed as CEO of this amazing organisation that is the AMS. I appreciate and acknowledge the mentorship of both Mr. John Stone and Dr. Philip Erasmus who came before me and commit to doing my very best to grow the AMS into an organisation with massive social impact.

While this report deals mostly with the period before my appointment as the CEO of this wonderful organisation in January 2022, please allow me to include my thoughts on the year under review.

The 2021/2022 financial year was still mostly characterised by the impact of the COVID-19 pandemic, and despite the continued difficulties in operating under the strain and stresses brought on by the pandemic, the AMS team continued to deliver their life saving and life changing duties wherever we were called. Thanks is again due to our frontline operational team members, our aviation maintenance team as well as all other staff and volunteers for their professionalism in carrying out their duties under such abnormal circumstances.

With the push to digitalisation brought on by COVID, we have made significant progress on a number of projects in this regard while others continue to be developed in our efforts to improve efficiencies, enhance outcomes, save costs, and become more environmentally friendly. Becoming POPIA compliant took lots of time and resources, but I am happy to report that substantial work has been done in our quest for compliancy including launching a Data Subject Access Request (DSAR) portal and registering our Information Officers.

Training and development continues to be a major component of what AMS does. Two interns who were trained and mentored at the AMS were employed in full-time roles. On the aviation side, a maintenance apprentice successfully completed the required trade tests, and the cadet volunteer pilot programme is starting to produce highly capable PC12 pilots.

The external environment with its many challenges including a declining currency, rising costs, and decreasing governmental support, presents the AMS with a tough road ahead. However, it is my intention to revisit the model of the organisation and together with the team, realign the organisation towards

“The AMS is only able to make a contribution to the betterment of individual lives and our country as a whole with your support.”



Farhaad Haffejee
Chief Executive Officer

current realities and opportunities.

I would like to say a special thanks to the AMS Board of Trustees who continue to lend their unwavering support to the executive, as well as to all staff, volunteers, funders and partners. The AMS is only able to make a contribution to the betterment of individual lives and our country as a whole with your support.

I look forward to a productive year ahead with a sharp focus on positive change and development.

Farhaad Haffejee
Chief Executive Officer

CHIEF MANDELA VISITED OUR OPERATION IN CAPE TOWN

“We must work together to ensure the equitable distribution of wealth, opportunity and power in our society.” Nelson Mandela



FATHER MANGALISO VISIT

Father Smangalis Mkhathshwa and Neo Chaka from the Moral Regeneration Movement visited the Cape Town operation to discuss how the two civil society organisations can work together to better serve our nation.



OUR ROLE & SERVICES

OUR **ROLE**

Our focus is on creating effective, efficient and sustainable aero-medical and ground resources in support of health systems. Our role is:

1. To manage and act as the overall coordinator of the aero-medical, emergency rescue service and rural health outreach in the various provinces in terms of assessing the needs, planning, day to day operations, monitoring and feedback to Provincial and National Health Authorities.
2. To access the volunteer network (aero-medical) of the AMS to support the Provincial Departments of Health by supplementing the skills pool.
3. To source funding to support the development and expansion of the service.

OUR **SERVICES**

The Air Ambulance Service

The AMS conducts aero-medical services in terms of the aviation regulatory framework. This service complements the local road ambulance service by providing rapid emergency aero-medical transportation of patients who are critically ill or injured.

The Rescue Service

The AMS provides air-sea and air-mountain rescue services by helicopter with more than a decade of rescue experience working with Department of Health EMS, Wilderness Search and Rescue (WSAR) and its many affiliates including Surf-Life Saving South Africa and the National Sea Rescue Institute (NSRI). Our stringent training programmes for hoist operators are focused around safety and efficiency and have been developed taking the international and local (military) best practices into account. AMS brings extensive experience, strong local knowledge and a strong record of flight and rescue operational safety to the rescue service. Our partnership with the Departments of Health and other local rescue organisations has resulted in the most effective civilian air-rescue service in Africa.

The Flying Doctor and Rural Health Outreach Service

- Provides delivery of appropriate and effective healthcare to rural communities, by flying specialists many of whom are volunteers, as well as support personnel to outlying hospitals.
- Provides specialist support to district and secondary hospitals.
- Decreases elective referrals from district hospitals to higher level facilities.
- Addresses acute backlogs at district hospitals for patients in need of specialist care.
- Addresses important community primary healthcare needs.
- Improves rural skills by training local and medical personnel.
- The KwaZulu-Natal service has been extended to include ground support units to access areas that has limited access by aircraft. The ground support vehicles are also used to get to hospitals which are in close proximity to the supply of doctors.

OUR **FLEET**

Services are provided via a fleet of helicopters and fixed wing aircraft. The AMS conducts aero-medical services in terms of the aviation regulatory framework. The AMS is licensed by the South African Civil Aviation Authority (SACAA) for air ambulance and charter operations.

The AMS provides 24-hour advanced life support fixed wing and helicopter air ambulance as well as helicopter rescue services. These aircraft are fitted with custom designed intensive care medical interiors.

The fleet is regularly upgraded with new technology and advances in aviation and the aero-medical industry. AMS introduced night-vision goggles (NVG's) into the helicopter air ambulance service. This facilitates access to rural hospitals and clinics that were previously unreachable at night by helicopter.



Pilatus PC-12 Fixed Wing (single turbine):

- Fully equipped, 24-hour Air Ambulance, with a dedicated, medical intensive care-type interior.
- Nine seater with a capacity of up to three stretcher patients.
- Pressurised cabin.
- Cruises at $\pm 450\text{km/hr}$, can reach altitude of 30 000 ft, ideal operating range $> 250\text{km}$.
- Perfect for short strip-landings.
- Utilised for transporting personnel on the outreach service.



AgustaWestland 119Ke & Kx Rotor Wing (single engine):

- Air Ambulance and Rescue
- Fully equipped with a dedicated, medical intensive care-type interior, with sling, winch capacity and emergency floatation gear for operations over the sea.
- The Kx range is more specialised for NVG operations.
- Cruises at 250km/hr , operating radius of 200km , but can be utilised for further distances.
- Has the capacity for two pilots, three crew members and one stretcher.
- Utilised for mountain and surf rescues, as well as inter-hospital transfers and primary calls.

NATIONAL OPERATIONS OVERVIEW

Another year has passed and as always, no two days are ever the same on the operations/service delivery side. I would like to thank the staff, volunteers, partner organisations and affiliates of the AMS for stepping up to the plate and delivering a world class service to the communities we serve. Post the massive lockdown periods and still very much in the face of danger from a constantly mutating COVID-19 virus, our people soldiered on bravely ensuring we keep to our ethos of helping those in need and continuing to change and save lives.

We took the opportunity to review our systems and admittedly, the COVID-19 pandemic also gave us the opportunity of revisiting areas of operations and to explore ideas that will allow us to work smarter and better and more efficiently like it has done with the rest of the world. Our workplace has embraced new technologies, mostly digital, that will allow better efficiency. Some of these include a new more advanced tracking unit on each aircraft, upgraded AMO software, MS Teams, database upgrade, to mention a few.

The operations team has also decided to ensure that the AMS remains at the cutting edge of technological advancements on the clinical side as well. We are exploring all kinds of new technologies in the EMS environment with a view to ensuring that our patients and communities continue to always have access to world class care. Some of these include, continuous positive airway pressure (CPAP) across all patient groups, high flow oxygen therapy, mechanical CPR devices, improved lightweight incubator options, point of care ultrasound (POCUS), point of care blood gas analysis etc.

Partnerships are how business and society have embraced becoming sustainable in order to continue with service delivery. We have found that our working environment has led us to explore opportunities where partnerships with like-minded organisations will allow us to bring services to communities much more effectively. We have already proven the success and impact these partnerships have and will continue to explore more partnership opportunities going forward. Government Emergency Medical Services (EMS) services and colleges, Private EMS service providers, Academic Institutions, Private Training Institutions, fellow Non-profit Organisations (NPO's) have all become vital partners in carrying out common mandates to ensure service delivery reaches the neediest communities. This approach has also shown effectiveness on the training side as well. Our firm belief in investing in the development of people will remain a key focus area for the AMS. We are committed to ensuring that our people have

access to opportunities that develop people holistically and not just on the clinical or aviation and maintenance side. We continue to seek to facilitate access to study opportunities through various avenues that can directly or indirectly support our staff through bursaries, various funding avenues etc. These are achieved through tapping into resources via the various Transport Education Training Authorities (TETA's), Sector Training and Education Authorities (SETA's) and private academic institutions etc. The AMS still takes pride in training young pilots as this creates capacity in the skills gap in aviation in our country. Career opportunities for these young pilots would otherwise be stifled in a very competitive field. The AMS attracts humanitarians, and as we have always said, our people are our most valuable asset, so their development will remain a priority.

Service delivery statistics show an impressive continuum of quality care during the many peaks of the COVID pandemic whilst very many other industries suffered great losses. We are grateful that we could remain relevant and even at times become the only hope of clinical care and transportation whilst the pandemic continued to ravish other services. KwaZulu-Natal (KZN) operations for example have shown a significant upward trend in servicing the Department of Health as well as other patients and communities in need. The AMS KwaZulu-Natal (KZN) dispatched aircraft on numerous humanitarian missions transporting critical food and medical supplies. With the City of Durban and surrounds essentially cut off and regular supply chains broken the air support offered by the AMS proved to be invaluable.



Ashwin Krishna
Operations Manager



Rob Fenenga



Traffic Services



Nikita Werthmann



Hans Laas

The KZN emergency helicopter was activated for a hot response to Ekombe Hospital in Nkandla area. A 12 year old boy was bitten by a black mamba while herding cattle. The patient was in a critical condition, he was stabilised on scene, intubated and placed on a ventilator and airlifted to Ngwelezane Hospital for anti-venom administration. On the same day, the aircraft was activated for an inter-facility transfer to Ceza Hospital where a 4 month pregnant female suffered a black mamba snakebite. This patient was in respiratory failure and haemodynamically unstable due to an anaphylactic reaction to the anti-venom. She was stabilised in the ward and airlifted to Ngwelezane emergency department for further intervention.

A key area for operations is the safety systems and management thereof. Our safety policy concludes with an undertaking by the CEO that "no person will be asked to compromise our safety standards". The challenge to each of us is that we reflect on whether personnel are consciously considering safety in all that we do?

- The AMS also opened three bases temporarily for the Eastern Cape Department of Health. The safety system is grateful to the Flight Operations Manager for keeping a relatively tight hand of oversight in order to manage this increased flight operational risk. The Safety department also values the selection of the right candidate in pilot appointments for these temporary bases.

We unfortunately had to bid farewell to our Flight Operations Manager, JR Redelinghuys who indeed left big shoes to fill as a respected aviator and leader in the industry.

We look forward to an exciting year ahead with blossoming new opportunities that we are starting to explore. Partnerships and new projects that are already in the planning and discussion phases will be rolled out in the coming year.

Ashwin Krishna
Operations Manager

NATIONAL OPERATIONS

OVERVIEW HIGHLIGHTS

During the financial year we flew 444 fixed wing missions, the highest total for the past six years. We conducted 644 rotor-wing missions. Our paramedics transported 154 more patients than the previous financial year. 213 of the total number of patients we flew were intubated and ventilated and 93 were on Continuous Positive Airway Pressure. We conducted 75 rescue missions in conjunction with the Western Cape Department of Health and Wilderness Search and Rescue (WSAR).



Dave Solomon



KZN

The helicopter emergency medical service (HEMS) in KZN showed steady growth through the latter half of 2021 and into the first quarter of 2022. Average flight hours were up on the previous year with an increase in primary cases notable in 2022. Many of the transfers were for mothers from rural areas with newborn babies requiring critical healthcare at Durban hospitals. Interestingly there were a number of call outs responding to snake bite victims.

REGULATORY TRAINING

Staff undergoing clinical practice development training to ensure that we continue to provide a world-class service. Our partnership with the African Institute of Emergency Medicine ensures that our staff are always up to date with mandatory regulatory training.

CPUT TRAINING

4th year Bachelor of Emergency Medical Care (BEMC) students of the Cape Peninsula University of Technology (CPUT) students attending CAT 138 and rescue induction training at our Cape Town operation. This training provides students the exposure to the aviation and ICU environment in order to work shifts on our platforms as part of their work integrated learning module.

KZN RELIEF

"We can change the world and make it a better place. It is in your hands to make a difference." Nelson Mandela. We are grateful to be able to be of assistance together with other NGO's to assist with relief supplies to the community of KwaZulu-Natal.

DEVELOPMENT FOCUS

The AMS Cadet Development Programme was established as part of the organisation’s contribution to the development of future leaders in our country. The programme focuses on developing young pilots by providing them with an opportunity to build their knowledge and experience with access to industry leading training and dedicated staff.

The AMS understand that the road to a fulfilling profession as a commercial pilot can be long and challenging. Finding the necessary support and guidance for launching one’s career as an entry-level pilot can be difficult.

To ease the way, AMS have launched a volunteer pilot development programme - a career programme that will support aspiring pilots advance to the next level, thereby boosting the aviation industry and contributing to the retention of pilots within the country.

As part of AMS’ commitment to transformation this programme provides young pilots with the opportunity to develop their skills, knowledge, and experience with access to industry leading training and mentoring through professional pilots. Exposing the pilots to high altitude flying as well as short field landing and operating in and out of rural airfields.

The volunteer pilot development programme is a sponsored or bursary award programme aimed at assisting successful candidates with funding to obtain a PC-12 conversion and licence. Upon successful completion of the programme, candidates can look forward to continuing their journey with the AMS as a volunteer to build hours or taking to the skies through the various airlines.

Once sufficient flying experience has been achieved and should suitable vacancies emerge within the AMS, successful candidates will be eligible to apply for an appropriate position in accordance with the AMS recruitment and selection processes.



Nicole Robertson
Volunteer Cadet Pilot

“I would suggest the AMS cadet programme to anyone who wants to learn more about just physically flying the plane. The passion of flying and people is definitely the heart of what AMS stands for. And I am proud to be a part of the team.”

There is no faster way to earn your wings as a pilot and start developing your longevity. We know from experience that obtaining flying time is difficult ... However, as a volunteer, it is now POSSIBLE.

OCEANA GROUP HONOURS HEALTHCARE WORKERS

The AMS welcomed members of the Oceana Group, Hospital Heroes and Gift of the Givers to the Cape Town base. Oceana Group partnered with the Hospital Heroes and Gift of the Givers to thank all EMS staff in the Western Cape for their hard work and dedication during the COVID-19 pandemic. The team paid tribute to the AMS healthcare workers by donating care packs as a token of appreciation for their contribution to serving the community.

“We are grateful to the Oceana Group, the amazing individuals of the Hospital Heroes campaign and Gift of the Givers for acknowledging the contribution of our team during the pandemic. It is these small gestures that keeps us motivated during these challenging times. This initiative is a great example of how different industries and sectors can work together to make a change” Farhaad Haffeejee, AMS CEO.

Oceana Group Executive: Corporate & Regulatory Affairs, Zodwa Velleman said, “These are challenging times for our nation, and the ethos of Nelson Mandela – of courage, service and sacrifice – has never been more important. It’s an honour to acknowledge and reward the heroic efforts of the Air Mercy Service crew who so bravely provide a critical service to our communities. It’s one way that we stay true to our commitment to positively impacting lives for the communities we operate in and to positively impacting lives wherever we can.”

“As paramedic official thank you’s are rare and each would have special value, when we do receive one like this special well thought out care package it makes all the difference. We strive to serve the community and help to the best of our ability. We do our job not because we have to but for the love of it. Thank you for your generosity, we appreciate your kindness” Claudia Hodges, AMS Emergency Care Practitioner & Clinical Training Coordinator.

Thank you for supporting our team Oceana Group, Hospital Heroes and Gift of the Givers.



OUR SINCERE APPRECIATION

Thank you for your contribution to our healthcare system

Our sincere appreciation to our sponsors for your continued support to allow us to deliver quality aero-medical care to the citizens of South Africa. A special thank you to our committed volunteers – pilots, paramedics, doctors, nurses, healthcare professionals and rescue crew. Thank you for your dedication and support in helping us contribute to the improvement in the quality of life of all communities. We thank you and your families for your selfless commitment to serving humanity.



MAKE A DIFFERENCE

While most of the operational costs are recovered from provincial departments of health and other associated medial aid organisations, the expansion and development of AMS relies heavily on corporate and public donations. These donations, whether in kind or financial are crucial for purchasing medical and aviation equipment and developing infrastructure and services. There are various ways of donating, ranging from monthly donations to once off annual contributions.

Individuals can also donate by leaving a bequest or legacy in their will. Corporates are encouraged to include the AMS in their Corporate Social Investment Programmes. Naming rights are available depending on the size of donation as well as a Section 18A tax certificate for donations received.

Scan to donate using OZOW, cashless and cardless service



Banking details

Account Name: SA Red Cross Air Mercy Service Trust
Account Number: 1186115785
Bank: Nedbank
Branch code: 198765

Waterfront Rotary Club
Solomon Ruben and Ann Winer Educational and Benefit Trust
African Pilot Magazine
F. Lockhat
Dion Tromp – High Angle
MJ Harding

Thank you for your donation that will contribute towards providing healthcare to the citizens of South Africa.

OUR SINCERE APPRECIATION CONTINUED

The Rota-Rally campaign hosted by the Waterfront Rotary in aid of the AMS was a fun-filled COVID safe event. The event started in Cape Town and ended in the beautiful town of Darling along the West Coast. The objective of the event was to raise much needed funds for the AMS to purchase a tractor required by the Cape Town operation.

"We all had an amazing day at this year's Rally and are pleased to announce that R30 000 was raised for the AMS. The AMS relies on towing vehicles such as tractors to move their aircraft in and out of the hangars to be airborne for emergencies as quickly as possible," said Nadine Rolston, Waterfront Rotary Race Director.

"We are grateful for the donation received towards purchasing a tractor urgently required for the Cape Town operation. Thank you to all the organisations and individuals who contributed towards the success of the event. Your support during these difficult times that we are finding ourselves in is humbling and greatly appreciated," said Farhaad Haffeejee AMS CEO. "Our helicopters and fixed wing aircraft are stored inside hangars from where we operate. In order to move our aircraft in and out of the hangars and be airborne for emergencies as quickly as possible we rely on towing vehicles such as tractors to pull our aircraft onto the apron for all our emergency flight take-offs. The tractor is an important part of our operation as it allows our medics and pilots to be airborne as quickly as possible for the emergency transportation of the critically ill and injured during the golden hour when rapid response can make the difference between life and death," Haffeejee concluded.

The inspiration behind the Rally: interview with Nadene Rolston, Race Director.

Where did the idea come from?

"About ten years ago I participated in the Phuket car rally, organised as a charity event, by GOMS. (Grumpy Old Mens Organisation) It was a fun morning driving around Phuket in the comfort and coolness of my car (it is hot in Phuket!). So when my Rotary club was looking for a fundraising event, I thought we can do a Rally. With Covid in our lives it made perfect sense as you don't need to leave the safety of your car! (Unless you want to). At the same time Air Mercy Service contacted us about the need for a new tractor. So we decided to support the Heroes of AMS, who fly in to help you when you need medical attention. We also decided to add in some fun elements with a purpose - hence the food donations that will go to Melkbos Rotary who support two assistance organisations who help the destitute families in Melkbos. Rota-Rally is a fun drive for the whole family, a perfect time to leave your home and enjoy the countryside."



SERVING HOPE SAVING LIVES



Visit <https://ams.org.za/> to find out more

Audited Annual FINANCIAL STATEMENTS

THE SA RED CROSS AIR MERCY SERVICE TRUST
(Registration number T3404/94)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Service Trust
Trustees	RP de Wet RSS ka Msengana GN Sam Prof SM Mayatula MG Qhena L Tanga A Hassim
Business address	General Aviation Area Cape Town International Airport 7525
Postal address	PO Box 93 Cape Town International Airport 7525
Bankers	ABSA Bank Limited Nedbank a division of Nedcor Limited
Auditors	Mazars Registered Auditor
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Trust Property Control Act 57 of 1988.
Preparer	The annual financial statements were independently compiled by: Gerard Lategan Associate General Accountant (SA)
Issued	23 August 2022

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Trustees' Responsibilities AND APPROVAL

The trustees are required in terms of the Trust Deed to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2023 and, in the light of this review and the current financial position, they are satisfied that the trust has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on pages 25 to 27.

The annual financial statements and supplementary information set out on pages 29 to 41, which have been prepared on the going concern basis, were approved by the board on 23 August 2022 and were signed on its behalf by:


TRUSTEE
TRUSTEE

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Independent Auditor's Report 28 February 2022

To the Shareholders of The SA Red Cross Air Mercy Service Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The SA Red Cross Air Mercy Service Trust set out on pages 28 to 43, which comprise the statement of financial position as at 28 February 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the annual financial statements present fairly, in all material respects, the financial position of The SA Red Cross Air Mercy Service Trust as at 28 February 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Trust Property Control Act 57 of 1988.

Basis for Qualified Opinion

In common with similar organisations, it was not feasible for the trust to institute adequate accounting controls over cash collections from donations and other voluntary income prior to initial entry of collections in the accounting records. Accordingly it was impractical for us to extend our examination beyond receipts actually recorded.

The trust has not componentised aircrafts with a carrying amount of R167,622,777 (2021: R186,833,142) into various significant components and depreciated these components separately as required by International Financial Reporting Standards For Small and Medium-sized Entities, Section 17, Property, Plant and Equipment. As a consequence we were therefore unable to determine whether any adjustments were required to the annual financial statements arising from aircraft not being componentised.

The trust does not capitalise major inspections of the aircraft as required by International Financial Reporting Standards for Small and Medium-sized Entities, Section 17, Property, Plant and equipment. The major inspections are also not treated as a separate component and therefore are not being capitalised to the asset. As a consequence we were therefore unable to determine whether any adjustments were required to the annual financial statements arising from aircraft major inspections that have not been capitalised or accounted for as a separate component.

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The residual values of the aircrafts do not reflect the best estimate of the value that will be received on disposal of the aircrafts at the end of their useful lives, using current market conditions, as required by International Financial Reporting Standards for Small and Medium-sized Entities, Section 17, Property, Plant and Equipment as indicated by the value received of sales of aircrafts post year-end which was significantly more than the recorded residual value for the aircraft. As a consequence we were therefore unable to determine whether any adjustments were required to the annual financial statements arising from the residual value not being in line with the IFRS for SME, Section 17.

The trust has made material provisions for repairs and maintenance which will be required on capital assets in the future. In accordance with IFRS for SMEs, Section 21, a provision may not be recognised on future repairs on capital assets. If IFRS for SME Section 21 had been correctly applied, the effect on the trust would have been a decrease in provisions on the statement of financial position by R43,506,690 (2021: R41,672,409), a decrease in operating costs by R1,834,281 (2021: R19,434,954) and an increase in opening retained income by R41,672,409 (2021: R61,109,458).

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The trustees are responsible for the other information. The other information comprises the Trustees' Report as required by the Companies Act of South Africa and the detailed income statement. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Mazars
Partner: Melanie Odendaal
Registered Auditor
30 August 2022
Cape Town

Trustees' REPORT

The trustees have pleasure in submitting their report on the annual financial statements of The SA Red Cross Air Mercy Service Trust for the year ended 28 February 2022.

1. Nature of business

The SA Red Cross Air Mercy Service Trust operates an air ambulance service, for no financial gain, for the benefit of all ill and injured people. The SA Red Cross Air Mercy Service Trust also provides medical and humanitarian services directed at preservation of life and the alleviation of human suffering, particularly within the rural areas of South Africa.

The operating results and state of affairs of the trust are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. Trustees

The trustees in office at the date of this report are as follows:

Trustees	Nationality	Changes
RP de Wet	South African	
RSS ka Msengana	South African	
GN Sam	South African	
Prof SM Mayatula	South African	
MG Qhena	South African	
L Tanga	South African	
A Hassim	South African	Appointed 07 September 2021

3. Impact of COVID-19

Subsequent to 28 February 2022, the entity has assessed the impact of COVID-19 on the annual financial statements and considered the potential impact on the entity. As at the date of approving these annual financial statements, management have assessed that there is no material impact on the annual financial statements for the year ended 28 February 2022. Management will continue to assess the financial impact of COVID-19.

4. Events after the reporting period

The trustees are not aware of any other material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future, including specific consideration of the risk associated with COVID-19, and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

6. Auditors

Mazars continued in office as auditors for the trust for 2022.

Statement of Financial Position AS AT 28 FEBRUARY 2022

Figures in Rand	Notes	2022	2021
Assets			
Non-Current Assets			
Property, plant and equipment	2	180,389,309	202,383,459
Other financial assets	3	385,000	385,000
		180,774,309	202,768,459
Current Assets			
Inventories	4	6,328,954	6,016,192
Trade and other receivables	5	9,449,294	19,613,475
Other financial assets	3	1,535,570	51,667
Cash and cash equivalents	6	95,547,533	93,180,779
		112,861,351	118,862,113
Total Assets		293,635,660	321,630,572
Equity and Liabilities			
Equity			
Trust capital	7	10,831,920	10,831,920
Asset replacement reserve	8	141,772,910	141,772,910
Retained income		76,110,940	87,815,408
		228,715,770	240,420,238
Liabilities			
Non-Current Liabilities			
Other financial liabilities	9	4,780,057	15,520,058
Provisions	10	43,506,690	41,672,409
		48,286,747	57,192,467
Current Liabilities			
Trade and other payables	11	5,887,371	6,927,878
Other financial liabilities	9	10,745,772	17,089,989
		16,633,143	24,017,867
Total Liabilities		64,919,890	81,210,334
Total Equity and Liabilities		293,635,660	321,630,572

Statement of Profit or Loss and **OTHER COMPREHENSIVE INCOME**

Figures in Rand	Notes	2022	2021
Revenue	12	86,290,945	85,148,410
Other income	13	4,018,634	1,632,827
Finance costs	14	(1,374,270)	(2,706,544)
Other operating expenses		(102,613,843)	(92,618,959)
Deficit before investment income and profit on disposal of assets	15	(13,678,534)	(8,544,266)
Investment income	16	1,974,066	3,122,718
Surplus on disposal of assets		-	40,838,074
(Deficit) surplus for the year		(11,704,468)	35,416,526
Other comprehensive income		-	-
Total comprehensive (deficit) surplus for the year		(11,704,468)	35,416,526

Statement of **CHANGES IN EQUITY**

	Trust capital	Aircraft replacement reserve	Retained income	Total equity
Figures in Rand				
Balance at 01 March 2020	10,831,920	181,981,940	12,189,853	205,003,713
Surplus for the year	-	-	35,416,526	35,416,526
Total comprehensive surplus for the year	-	-	35,416,526	35,416,526
Transfer to reserves	-	(40,209,030)	40,209,030	-
Balance at 01 March 2021	10,831,920	141,772,910	87,815,408	240,420,238
Deficit for the year	-	-	(11,704,468)	(11,704,468)
Total comprehensive deficit for the year	-	-	(11,704,468)	(11,704,468)
Balance at 28 February 2022	10,831,920	141,772,910	76,110,940	228,715,770
Note	7	8		

Statement of **CASH FLOWS**

Figures in Rand	Notes	2022	2021
Cash flows from operating activities			
Cash generated from operations	18	21,633,446	8,683,707
Interest income		1,974,066	3,122,718
Finance costs		(1,374,270)	(2,706,544)
Net cash from operating activities		22,233,242	9,099,881
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,298,367)	(2,348,797)
Sale of property, plant and equipment	2	-	51,418,245
Increase (decrease) in other financial assets		(1,483,903)	1,052,249
Net cash from investing activities		(2,782,270)	50,121,697
Cash flows from financing activities			
(Repayment)/ proceeds from other financial liabilities		(17,084,218)	(22,495,077)
Net cash from financing activities		(17,084,218)	(22,495,077)
Total cash movement for the year		2,366,754	36,726,501
Cash at the beginning of the year		93,180,779	56,454,278
Total cash at end of the year	6	95,547,533	93,180,779

Accounting **POLICIES**

1. Significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the Trust Deed and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. The annual financial statements are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Trade Receivables

The trust assesses its trade receivables for impairment on an ongoing basis. In determining whether an impairment loss should be recorded in profit or loss, the trust makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows of that financial asset.

Provisions

Provisions were raised by management based on the information available. Additional disclosures of these estimates of provisions are included in note 10- Provisions.

Useful lives and residual values of property, plant and equipment

The estimated useful lives as translated into depreciation rates are detailed in the property, plant and equipment policy note in the annual financial statements. These rates and the residual values of the assets are reviewed annually taking cognisance of the forecast commercial and economic realities and through benchmark accounting treatments in the industry.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the trust holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the trust, and the cost of the item can be measured reliably.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Cost includes those initially to acquire or construct the item as well as borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the trust recognises such parts as individual assets with specific useful lives and depreciation. All repair and maintenance costs are expensed as incurred.

The useful lives of items of property, plant and equipment have been assessed as follows:

Accounting **POLICIES**

1.2 Property, plant and equipment (continued)

Item	Average useful life
Aircrafts	10 years
Hangar and communication equipment	8 years
Furniture and fixtures	10 years
Motor vehicles	5-8 years
Office equipment	5 years
Computer equipment	3 years
Medical equipment	8 years
Leasehold property	5-15 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include other financial assets, trade and other receivables, cash and cash equivalents, trade and other payables and other financial liabilities. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Loans receivable are classified as current if the entity expects to receive repayment within 12 months after the reporting date. All other loans receivable are classified as non-current.

Loans payable are classified as current liabilities unless the trust has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Accounting **POLICIES**

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the trust's incremental borrowing rate.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.5 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the trust.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.6 Impairment of non-financial assets

The trust assesses at each reporting date whether there is any indication that any assets may be impaired.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If there is any such indication that an asset may be impaired, the recoverable amount is estimated for the individual asset.

Accounting **POLICIES**

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of impairment is recognised immediately in profit or loss.

1.7 Aircraft replacement reserve

This reserve has been created as the trustees would like to set aside reserves for the expected purchase of aircrafts during the next five years based on current market prices. The transfer from retained income to the aircraft replacement reserve will be limited to the available reserves in retained income.

1.8 Provisions and contingencies

A provision for future maintenance is recognised, since the trust has an obligation to overhaul their fixed wing aircrafts after a predetermined number of flying hours. The amount of the provision is calculated based on the current cost of the overhaul and the portion of the hours flown to date. The provision is utilised against any engine overhaul costs incurred.

A provision for major components is recognised on rotor wing aircrafts based on a fixed amount per hour flown. This amount is determined by management based on past experience and current estimates of costs to repair the aircraft. The provision is utilised against any rotor wing maintenance expenditure incurred.

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event; it is probable that the trust will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the service is rendered, such as sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are governed by the Pension Fund Act and charged as an expense as they fall due.

Accounting **POLICIES**

1.10 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the trust;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest method.

Donations and dividends are recognised, in profit or loss, when the trust's right to receive payment has been established.

1.11 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 Foreign exchange

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the each reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Notes to the **ANNUAL FINANCIAL STATEMENTS**

Figures in Rand	2022	2021
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2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	30,034,256	(25,131,654)	4,902,602	30,034,824	(23,520,011)	6,514,813
Aircrafts	351,902,747	(184,279,970)	167,622,777	351,902,747	(165,069,605)	186,833,142
Furniture and fixtures	1,341,627	(1,279,926)	61,701	1,341,627	(1,257,571)	84,056
Motor vehicles	2,950,866	(2,505,895)	444,971	2,753,866	(1,439,956)	1,313,910
Office equipment	571,602	(302,090)	269,512	348,801	(246,806)	101,995
Computer equipment	1,139,526	(963,275)	176,251	1,032,899	(830,795)	202,104
Medical equipment	19,297,047	(13,437,314)	5,859,733	18,768,324	(12,629,178)	6,139,146
Hangar and communication equipment	5,321,366	(4,269,604)	1,051,762	5,105,750	(3,911,457)	1,194,293
Total	412,559,037	(232,169,728)	180,389,309	411,288,838	(208,905,379)	202,383,459

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Leasehold improvements	6,514,813	27,808	(1,640,019)	4,902,602
Aircrafts	186,833,142	-	(19,210,365)	167,622,777
Furniture and fixtures	84,056	-	(22,355)	61,701
Motor vehicles	1,313,910	197,000	(1,065,939)	444,971
Office equipment	101,995	229,401	(61,884)	269,512
Computer equipment	202,104	106,627	(132,480)	176,251
Medical equipment	6,139,146	528,723	(808,136)	5,859,733
Hangar and Communication equipment	1,194,293	208,808	(351,339)	1,051,762
	202,383,459	1,298,367	(23,292,517)	180,389,309

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	8,134,940	-	-	(1,620,127)	6,514,813
Aircrafts	223,421,952	-	(10,568,172)	(26,020,638)	186,833,142
Furniture and fixtures	116,068	-	-	(32,012)	84,056
Motor vehicles	1,667,514	-	(11,999)	(341,605)	1,313,910
Office equipment	79,295	54,855	-	(176,682)	101,995
Computer equipment	195,620	131,679	-	(125,195)	202,104
Medical equipment	5,385,222	2,013,470	-	(1,259,546)	6,139,146
Hangar and Communication Equipment	1,380,298	148,793	-	(190,271)	1,194,293
	240,380,909	2,348,797	(10,580,171)	(29,766,076)	202,383,459

Assets subject to instalment sale agreements (Net carrying amount)

Aircrafts	135,941,288	155,586,864
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Notes to the ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
3. Other financial assets		
At fair value		
Brimstone Investment Corporation Limited	385,000	385,000
At amortised cost		
Forward Exchange Contract	1,185,570	-
A1 Car Wash and Cleaning Solutions Proprietary Limited	100,000	-
The loan is unsecured, interest free and is repayable within 12 months.		
Dip Free CC	-	51,667
The loan is unsecured, interest free and was repaid during the current year.		
Prince Consulting Proprietary Limited	250,000	-
The loan is unsecured, interest free and is repayable within 12 months.		
	1,535,570	51,667
Total other financial assets	1,920,570	436,667
Non-current assets		
At fair value	385,000	385,000
Current assets		
At amortised cost	1,535,570	51,667
	1,920,570	436,667
4. Inventories		
Fuel	44,928	354,866
Uniforms	-	72,356
Spare parts	6,284,026	5,588,970
	6,328,954	6,016,192
5. Trade and other receivables		
Trade receivables	5,243,932	18,353,854
Prepayments	3,263,105	439,910
Deposits	20,635	20,635
Other receivables	921,622	799,076
	9,449,294	19,613,475

Notes to the ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021		
6. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	94,729	88,327		
Bank balances	95,452,804	93,092,452		
	95,547,533	93,180,779		
7. Trust capital				
Capital account / Trust capital				
Balance at beginning of year	10,831,920	10,831,920		
8. Aircraft replacement reserve				
Opening balance	141,772,910	181,981,940		
Decrease in reserves	-	(40,209,030)		
	141,772,910	141,772,910		
9. Other financial liabilities				
At amortised cost				
Instalment sales agreements	15,525,829	32,610,047		
The instalment sales agreements are secured over aircraft with a net book value of R135,941,288 (2021: R155,586,864).				
The liabilities bear interest from 1% below the prime bank overdraft rate and are repayable in monthly instalments of approximately R2,085,979 (2021: R2,085,979).				
Non-current liabilities				
At amortised cost	4,780,057	15,520,058		
Current liabilities				
At amortised cost	10,745,772	17,089,989		
	15,525,829	32,610,047		
10. Provisions				
Reconciliation of provisions - 2022				
	Opening balance	Additions	Utilised during the year	Total
Provision for major components	29,038,647	-	(899,520)	28,139,127
Provision for engine overhaul	12,633,762	2,733,801	-	15,367,563
	41,672,409	2,733,801	(899,520)	43,506,690

Notes to the ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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10. Provisions (continued)

Reconciliation of provisions - 2021

	Opening balance	Additions	Utilised during the year	Total
Provision for major components	35,924,029	8,281,810	(15,167,192)	29,038,647
Provision for engine overhaul	25,185,428	1,049,760	(13,601,426)	12,633,762
	61,109,457	9,331,570	(28,768,618)	41,672,409

The engine overhaul and major components are raised to offset expenses which will be incurred in future to repair or replace the aircraft engines.

11. Trade and other payables

Trade payables	1,686,470	3,364,016
Payroll accruals	830,151	693,977
Accrued leave pay	1,891,999	2,355,695
Accrued expenses	949,677	660,467
Value Added Taxation	529,074	(146,277)
	5,887,371	6,927,878

12. Revenue

Services rendered	86,178,520	85,098,320
Donations received	112,425	50,090
	86,290,945	85,148,410

13. Other income

Profit on exchange differences	3,077,078	1,049,989
Pledges	941,556	582,838
	4,018,634	1,632,827

14. Finance costs

Bank overdraft	2,206	726
Instalment sale agreements	1,372,064	2,705,818
	1,374,270	2,706,544

Notes to the ANNUAL FINANCIAL STATEMENTS

Figures in Rand	2022	2021
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15. Deficit before investment income and profit on disposal of assets

Deficit before investment income and profit on disposal of assets for the year is stated after accounting for the following:

Employee costs

Employee costs	35,821,504	36,363,241
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Depreciation

Depreciation on property, plant and equipment	23,190,497	29,766,076
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(Profit) loss on foreign exchange	-	(1,049,989)
Insurance	10,226,053	10,471,105
Maintenance provision	(1,875,051)	(19,434,954)
Fuel	5,345,677	3,255,987
Repairs and maintenance	16,337,582	20,538,290

16. Investment income

Bank and other cash	1,974,066	3,122,718
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17. Taxation

The trust has been approved as a Public Benefit Organisation (PBO) in terms of Section 30 of the Income Tax Act (the Act). The receipts and accruals of the society are exempt from income tax in terms of section 10(1)(cN) of the Act, and as a result no provision has been made for income tax.

18. Cash generated from operations

Profit before taxation	(11,704,468)	35,416,526
Adjustments for:		
Depreciation	23,292,517	29,766,076
Profit on sale of non current assets	-	(40,838,074)
Interest income	(1,974,066)	(3,122,718)
Finance costs	1,374,270	2,706,544
Movements in provisions	1,834,281	(19,437,048)
Changes in working capital:		
Inventories	(312,762)	218,486
Trade and other receivables	10,164,181	3,883,039
Trade and other payables	(1,040,507)	90,876
	21,633,446	8,683,707

Notes to the ANNUAL FINANCIAL STATEMENTS

19. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2022

	Financial assets at amortised cost	Total
Trade and other receivables	6,186,189	6,186,189
Other financial assets	1,920,570	1,920,570
Cash and cash equivalents	95,547,533	95,547,533
	103,654,292	103,654,292

2021

	Financial assets at amortised cost	Total
Trade and other receivables	19,152,930	19,152,930
Other financial assets	51,667	51,667
Cash and cash equivalents	93,180,779	93,180,779
	112,385,376	112,385,376

20. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2022

	Financial liabilities at amortised cost	Total
Other financial liabilities	15,525,829	15,525,829
Trade and other payables	1,686,470	1,686,470
	17,212,299	17,212,299

2021

	Financial liabilities at amortised cost	Total
Other financial liabilities	32,610,047	32,610,047
Trade and other payables	4,024,483	4,024,483
	36,634,530	36,634,530

Notes to the ANNUAL FINANCIAL STATEMENTS

21. Impact of COVID-19

Subsequent to 28 February 2022, the entity has assessed the impact of COVID-19 on the annual financial statements and considered the potential impact on the entity. As at the date of approving these annual financial statements, management have assessed that there is no material impact on the annual financial statements for the year ended 28 February 2022. Management will continue to assess the financial impact of COVID-19.

22. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future, including specific consideration on the risk associated with COVID-19, and accordingly the annual financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

23. Events after the reporting period

The trustees are not aware of any other material event which occurred after the reporting date and up to the date of this report.

Detailed INCOME STATEMENT

The supplementary information presented does not form part of the annual financial statements and is unaudited

Figures in Rand	2022	2021
Revenue		
Sale of goods	86,178,520	85,098,320
Donations received	112,425	50,090
	86,290,945	85,148,410
Cost of sales		
Opening stock	(6,016,192)	(6,234,678)
Purchases	(312,762)	218,486
Closing stock	6,328,954	6,016,192
	-	-
Other operating income		
Pledges received	941,556	582,838
Profit on sale of non-current assets	-	40,838,074
Profit on exchange differences	3,077,078	1,049,989
	4,018,634	42,470,901
Expenses (Refer to page 26)	(102,613,843)	(92,618,959)
Operating (deficit) surplus	(12,304,264)	35,000,352
Investment income	1,974,066	3,122,718
Finance costs	(1,374,270)	(2,706,544)
(Deficit) surplus for the year	(11,704,468)	35,416,526

Detailed INCOME STATEMENT

The supplementary information presented does not form part of the annual financial statements and is unaudited

Figures in Rand	2022	2021
Other operating expenses		
Advertising	(666,287)	(428,282)
Ambulance fees	(6,826)	(71,265)
Auditors remuneration	(214,195)	(265,480)
BBBEE expenses	(90,000)	-
Bad debts	(3,410,521)	(4,077,536)
Bank charges	(122,067)	(79,003)
Cleaning	(240,358)	(241,586)
Computer expenses	(93,205)	(135,714)
Consumables	95,579	(1,628,835)
Delivery expenses	(13,434)	(159,067)
Depreciation	(23,292,517)	(29,766,076)
Employee costs	(35,847,895)	(36,363,241)
Fines and penalties	(7,080)	(430)
Fuel	(5,345,677)	(3,255,987)
General expenses	(175,159)	(150,168)
Hire	(950,014)	(648,545)
Insurance	(10,226,053)	(10,471,105)
Laundry and dry cleaning	(37,372)	(29,432)
Legal and consulting fees	(226,217)	(698,551)
Licensing fees	(125,084)	(66,790)
Maintenance provision	(1,875,051)	19,434,954
Motor vehicle expenses	(289,503)	(134,250)
Municipal expenses	(295,203)	(253,646)
Printing and stationery	(359,192)	(429,646)
Promotions	12,275	(34,290)
Repairs and maintenance	(16,337,582)	(20,538,290)
Staff welfare	(129,705)	(82,803)
Subscriptions	(608,819)	(710,759)
Telephone and fax	(492,450)	(530,241)
Training	(483,030)	(449,034)
Travel - local	(624,698)	(309,886)
Uniforms	(136,503)	(43,975)
	(102,613,843)	(92,618,959)



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